

Message Text

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PAGE 01 KUALA 09196 050725Z

ACTION EA-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-05

CEA-01 L-03 PRS-01 OES-07 INT-05 /097 W

-----054440 050727Z /17

R 050626Z DEC 77

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 1043

INFO AMEMBASSY JAKARTA

AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE KUALA LUMPUR 9196

E.O.11652: N/A

TAGS: EINV, MY

SUBJECT: PROJECTED REYNOLDS PROJECTS

REF: KUALA LUMPUR 9025

1. FOLLOWING ANNOUNCEMENT OF AGREEMENT WITH SARAWAK STATE GOVERNMENT OFFICIALS FOR JOINT VENTURE (SEE REFTTEL), REYNOLDS TEAM MADE ONE DAY VISIT TO KUALA LUMPUR FOR MEETING WITH GOM OFFICIALS INCLUDING DEPUTY PRIME MINISTER DR. MAHATHIR BIN MOHAMMED. TEAM THEN WENT TO SABAH FOR MEETING WITH CHIEF MINISTER HARRIS BIN MOHAMMED SALLEH. ACCORDING TO ANNOUNCEMENT IN DECEMBER 2 NEW STRAITS TIMES, REYNOLDS AND SABAH STATE GOVERNMENT HAVE AGREED TO A JOINT PLAN OF ACTION WHICH CALLS FOR BOTH PARTIES TO INITIATE DETAILED STUDIES ON THE POSSIBILITY OF SETTING UP AN ALUMINUM SMELTER ON THE ISLAND OF LABUAN (WHICH SERVES AS THE SUPPLY BASE FOR OIL OPERATIONS IN SABAH). ACCORDING TO ARTICLE, SABAH GOVERNMENT WOULD BUILD 388 MEGAWATT POWER STATION FIRED BY NATURAL GAS FOR USE IN THE ALUMINUM SMELTER TO BE BUILT BY REYNOLDS. BOTH PARTIES REPORTEDLY

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PAGE 02 KUALA 09196 050725Z

PLAN TO MEET AGAIN PRIOR TO FEBRUARY TO FINALIZE THE PROJECT.

2. SOURCES CLOSE TO REYNOLDS HAVE INFORMED US THAT PROJECT IN SABAH IS IN ADDITION TO AND NOT IN PLACE OF THE PROJECT IN SARAWAK. REYNOLDS BELIEVES THAT THE PLANT IN SABAH MAY BE FEASIBLE BECAUSE OF THE POSSIBILITY OF BAUXITE IN THE VICINITY. BAUXITE COULD BE REDUCED TO

ALUMINA ON SITE IN SABAH AND SHIPPED TO SARAWAK FOR FURTHER PROCESSING.

3. REPORTEDLY, DURING MEETING WITH DR. MAHATHIR, REYNOLDS GROUP ASKED THAT A SENIOR GOM OFFICIAL BE ASSIGNED TO OVERSEE THIS PROJECT AND TO ASSIST IF DIFFICULTURES DEVELOPED. WE HAVE SINCE BEEN INFORMED THAT TAN SRI THONG YAW HONG, HEAD OF THE ECONOMIC PLANNING UNIT OF THE PRIME MINISTER'S DEPARTMENT, HAS BEEN GIVEN THIS RESPONSIBILITY.

4. EMBASSY HAS NOT YET HAD OPPORTUNITY TO MEET WITH REYNOLDS TEAM.
MILLER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19771294/aaaadbru.tel
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Litigation History:
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Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
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Review Content Flags:
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 363072
Secure: OPEN
Status: NATIVE
Subject: PROJECTED REYNOLDS PROJECTS
TAGS: EINV, MY
To: STATE
Type: TE
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